

## STATE OF SOUTH CAROLINA

(Caption of Case)

Petition of the Office of Regulatory Staff to Establish  
Generic Proceeding Pursuant to the Distributed  
Energy Resources Programs Act, Act. NO. 236 of  
2014, Ratification No. 241, Senate Bill 1189

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

## COVER SHEET

DOCKET

NUMBER: 2014 - 246 - E

(Please type or print)

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☐ Other: \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input checked="" type="checkbox"/> Other: Letter and COS	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



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December 11, 2014

Via SCPSC E-FILING DMS

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, SC 29210

**Re: Petition of the Office of Regulatory Staff to Establish Generic Proceeding Pursuant to the Distributed Energy Resources Programs Act, Act No. 236 of 2014, Ratification No. 241, Senate Bill 1189; Docket No. 2014-246-E**

Dear Ms. Boyd:

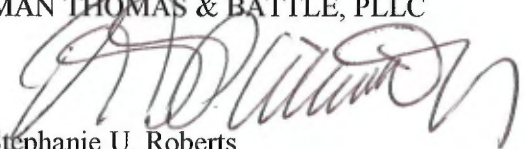
Please find attached for electronic filing with the South Carolina Public Service Commission ("Commission") a copy of the Direct Testimony of Kenneth E. Baker on behalf of Wal-Mart Stores East, LP, and Sam's East, Inc. (collectively, "Walmart"), in the above-referenced matter. By copy of this letter, I am serving all parties of record via Electronic Mail and First Class Mail.

Please contact us if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By

  
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Counsel to Wal-Mart Stores East, LP, and Sam's East, Inc.

SUR/lhi  
Attachments  
c: Certificate of Service



STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION  
DOCKET NO. 2014-246-E

IN RE: Petition of the Office of Regulatory Staff )  
To Establish Proceeding Pursuant to the )  
Distributed Energy Resources Program Act, )  
Act No. 236 of 2014, Ratification No. 241, )  
Senate Bill No. 1189 )

**DIRECT TESTIMONY OF KENNETH E. BAKER**

**ON BEHALF OF**

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

Dated: December 11, 2014

1   **Q.     Please state your name and business address.**

2   A.     My name is Kenneth E. Baker. My business address is 2001 SE 10th Street, Bentonville,  
3           AR 72716-0550.

4  
5   **Q.     By whom are you employed and what is your position?**

6   A.     I am employed by Wal-Mart Stores, Inc. as Senior Manager of Sustainable Regulation.

7  
8   **Q.     Please describe your education and professional experience.**

9   A.     In 1985, I received my B.S. degree in Health Science from College of St. Frances and  
10          later attended law school at the University of Arkansas at Little Rock School of Law,  
11          graduating in 1992 with a J.D. degree. I then practiced law at the Center for Arkansas  
12          Legal Services from 1992 to 1999 prior to joining Walmart. Early in my career at  
13          Walmart, I held the position of Manager of Real Estate where I helped locate sites  
14          for distribution centers. My duties in this position included locating sites and negotiating  
15          with communities to build distribution centers. In 2006, I transferred to the Energy  
16          Department and am currently the Senior Manager for Sustainable Regulation and  
17          Legislation. My current duties include monitoring and participation in utility  
18          commission cases and monitoring legislation that primarily deals with policy matters that  
19          could potentially impact Walmart business. I have also been involved in the negotiation,  
20          drafting, and execution of renewable energy and energy efficiency contracts.

1    **Q.     On whose behalf are you testifying?**

2    A.     I am testifying on behalf of Wal-Mart Stores East, LP and Sam's East, Inc. (collectively  
3           "Walmart").

4  
5    **Q.     Was this testimony prepared by you or under your direction?**

6    A.     Yes.

7  
8    **Q.     Have you previously testified before the Public Service Commission of South**  
9           **Carolina?**

10   A.     Yes. I have submitted testimony in Docket No. 2005-386-E, Petition of the Office of  
11           Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of  
12           Section 1252 (Smart Metering) of the Energy Policy Act of 2005.

13  
14   **Q.     Have you previously submitted testimony before other state regulatory**  
15           **commissions?**

16   A.     I have submitted testimony before the Commissions in Kentucky, Missouri, North  
17           Carolina, New Mexico, Massachusetts, Arizona, Georgia, and Indiana. Additionally, I  
18           have submitted testimony before legislative committees in Texas and Pennsylvania. My  
19           testimony has included topics concerning demand response, demand side management  
20           measures, and renewable energy issues.

1   **Q.     What impact does Walmart have on the South Carolina economy?**

2   A.     As of October 13, 2014, Walmart has over 95 retail facilities and over approximately  
3           27,000 associates in South Carolina. Additionally, as of fiscal year ending 2014, Walmart  
4           spent over \$942 million for merchandise and services with South Carolina suppliers,  
5           supporting over 14,000 jobs in the state. See [http://corporate.walmart.com/our-](http://corporate.walmart.com/our-story/locations/united-states)  
6           [story/locations/united-states](http://corporate.walmart.com/our-story/locations/united-states)

7  
8   **Q.     What is the purpose of your testimony?**

9   A.     In this testimony, I comment on certain provisions of the Distributed Energy Resources  
10          Act, Act No. 236 of 2014, Ratification No. 241, Senate Bill No. 1189 ("the Act"), and I  
11          discuss Walmart's interests as they relate to net metering and on-site generation.

12  
13   **Q.     Does Walmart support the requirements of the Act?**

14   A.     Yes, there are portions of the Act that Walmart supports. For example, the Act clarifies  
15          that net metering shall be available for customer-generation owners or lessees up to 1,000  
16          kW (or the maximum demand of a facility, whichever is lower.) Additionally, the Act  
17          allows for incentives in order to promote the installation of on-site renewable solar  
18          energy.

19  
20   **Q.     How much electric energy does Walmart purchase from South Carolina utilities?**

21   A.     Walmart purchased over 444 million kWh from South Carolina electric utilities in 2013.

1 **Q. Is Walmart currently participating in on-site renewable generation?**

2 A. Yes. Walmart currently has over 311 on-site renewable installations nationally. Those  
3 installations consist primarily of on-site photovoltaic systems.  
4

5 **Q. Please explain Walmart's interest in this proceeding.**

6 A. The Office of Regulatory Staff ("ORS") initiated this case under the Act, specifically  
7 pursuant to Section 58-40-20(F)(4), which requires a proceeding to establish and  
8 implement "net energy metering rates, tariffs, charges, and credits ...." The Act also sets  
9 forth that, up to certain aggregated limits for each electric utility in the state, net metering  
10 shall be available to customer-generator owners and lessees up to 1,000 kW.  
11

12 In prior proceedings before the Commission, Walmart has identified for the Commission  
13 uncertainty about the availability of net metering for customers with on-site generation  
14 over 100 kW and a potential lack of uniformity regarding such availability (and the  
15 applicability of related charges) as between Duke Energy Carolinas ("Duke"), Duke  
16 Energy Progress ("Progress"), and South Carolina Electric & Gas Company ("SCE&G").  
17 *See, e.g.*, Walmart Comments filed Sept. 30, 2013, Docket No. 2005-385-E.  
18

19 As such, Walmart is hopeful that, pursuant to the Act, this proceeding can favorably  
20 clarify any uncertainty about the availability of net metering, establish a level of general  
21 uniformity in that regard among Duke, Progress, and SCE&G, and insure that  
22 development of on-site, renewable customer generation is not thwarted by any artificial  
23 barriers or impediments.

1    **Q.    What concerns does Walmart have in this case?**

2    A.    As noted above, this case is intended to address "any necessary charges and credits" for  
3    net metering. Walmart believes it is important as a function of providing encouragement  
4    for the installation of on-site solar energy that no unnecessary charges or costs be tied to  
5    renewable customer generation; assessment of these types of costs to customers with on-  
6    site generation could have a strong chilling effect on the number of systems installed.

7

8    **Q.    Does Walmart have recommendations for the Commission?**

9    A.    Yes. Walmart recommends the following:

- 10            1.    That the Commission direct each utility to file an Application for  
11            Approval of a Net Metering Tariff that includes net metering rates and  
12            terms consistent with the statute, which incentivize renewable customer  
13            generation.  
14  
15            2.    That those Applications confirm, and be tailored for, the availability of net  
16            metering for on-site customer generation up to 1,000 kW or the maximum  
17            demand of the particular facility, if lower than 1,000 kW.  
18  
19            3.    That the Commission direct that the utilities include no riders, standby  
20            service charges, or other unnecessary charges in their Net Metering  
21            Tariffs.  
22  
23            4.    That the Commission acknowledge that all interested parties may actively  
24            participate in each utility's individual Net Metering Tariff Application  
25            proceeding.  
26  
27            5.    That the Commission confirm that it will be seeking to insure general  
28            uniformity in the Net Metering Tariffs for each of the three major electric  
29            utilities in South Carolina.  
30

31    **Q.    Does that conclude your Direct Testimony?**

32    A.    Yes.



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Distributed Energy Resources Program Act, )  
Act No. 236 of 2014, Ratification No. 241, )  
Senate Bill No. 1189 )

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing Direct Testimony of Kenneth E. Baker upon the following parties to this proceeding via Electronic Mail and First Class Mail:

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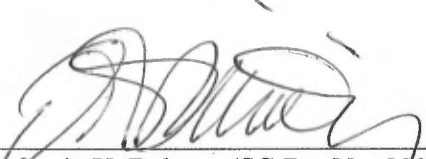
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Stephanie U. Roberts (SC Bar No. 80073)  
Derrick Price Williamson

Dated: December 11, 2014